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Nevada Cement Company
February 11, 2008
Fernley, Nevada

Dante Pistone:

Welcome everyone; this is the public hearing on the proposed permit for the Nevada Cement expansion. My name is Dante Pistone, I'm Public Information Office for the Nevada Division of Environmental Protection. To my right is Greg Remer, he's the Bureau Chief for our Bureau of Air Pollution Control, he's the guy in charge. To his right is Matt DeBurle, permitting supervisor for our Bureau of Air Pollution Control. To his right is Vickie Gatrell; she's Management analyst with the division, and to my left is Tobarak Ullah, he's Staff Engineer that worked on this project for us.

Our purpose tonight is to receive your comments and questions with regard to the draft permit and we'd like to stay focused on, if we can, stay focused on really the central question tonight, which is "does this proposed expansion meet all state and federal air quality guideline standards?" So, we'd appreciate it if your comments were confined to that issue, we understand there are a lot of other issues, perhaps, involving the plant so, if you have a comment, we're certainly going to let everyone who wants to speak, but we'd like to try and keep it focused and try and keep it to three to five minutes if you can. I understand there may be one or two that go longer than that and that's okay since we have a fairly small group here and it's pretty informal. If it goes ten, fifteen, minutes, longer than that then I'm going to stop you. You can submit comments for the record and they have exactly the same weight, so if you don't want to comment tonight or if for some reason you don't get to speak, you can submit written comments. There will be an address and an email address that will be presented later on. What we would ask is just a couple ground rules: Please be civil to everybody, treat everybody with respect. The speakers that come up may have a differing opinion from yours, but please be courteous, just like you would want to be treated courteously when you come up to make your comments.

As I said, we want to avoid repeat comments. Again, if your with a group, please designate maybe one or two people to speak on your behalf. It will have the same weight as if all of you spoke at the same time. The proceedings are being recorded we'll have an official hearing record and a copy of the transcript will be available on our website in a couple of days. It will probably take awhile to transcribe everything and get it posted, but our website is www.ndep.nv.gov. Again welcome, and Tobarak is going to make a brief, I think a few minutes or so presentation on our technical evaluation of the permit application. It's, by nature it's technical, but then you'll be allowed, after that, to ask questions make comments, if you have any so bear with us until after the presentation is over and then we'll take the blue cards in the order they are presented. Again, if anybody has one that they would like to bring up and give to Vickie, that would be, that would be certainly in order at this time. Tobarak, please proceed.

Tobarak

Okay, this is Tobarak Ullah, staff engineer with NDEP. This presentation will include the following: proposed project location, proposed project, air emissions, air quality evaluation and modeling analysis. I'll explain that to you, and applicable air quality regulations and what is the proposed permit and with that we'll take and receive comments.

Dante: can everybody hear him?

Tobarak:

Is it okay? This slide refers to the plant location; approximately 265 acre site. I just want to make a note we are here to discuss the proposed plant that is the subject of the OPTC permit for consideration tonight. This does not include the quarry operations which are separate facilities handled under their own permits.

Here are the highlights of the proposed project: This project will be a new, completely new, modern cement manufacturing facility to replace existing 1940's old technology. With new raw materials distribution system, new raw grinding system, new kiln process and clinker cooler, new solid fuel grinding system, new finish grinding systems, will use existing material handling where appropriate, emission control and monitoring.

This project will bring the benefits to the locality, it will increase production, it will lower fuel consumption, lower power consumption, it will also lower air emissions, lower water consumption and reduction of imported cement. The new plant will use portions of the existing plant in the design. You can see here (see powerpoint presentation), this is going to be the new limestone handling system, and secondary crushing screen to be decommissioned and so and here also old kilns to be decommissioned with the new one. All portions of the existing plant that will not be shut down for the new plant were included in the emission calculations and air quality modeling. All other parts of the plant not specifically identified in this permit being discussed tonight will be required to cease operating by this permit when the new plant begins operation.

PSD, which is Prevention of Significant Deterioration, is basically a program whose goal is to keep clean areas clean. This application represents a "minor" application under the PSD permitting program. This does not mean it has not undergone a rigorous permitting review that is required for any other new facility being permitted in Nevada. BAPC has spent an enormous amount of time to ensure that the applicant qualified for "minor" status under the PSD permitting program. This included ensuring that the baseline actual emissions from the plant were appropriately accounted and considered.

Best Available Controlled Technology, we also reviewed that as part of PSD, a BACT analysis is required to determine the best control is being used to ensure that the air emissions, air remains clean. Although a BACT analysis was not required for this permitting action, this does not mean that the applicant was not required to install emission controls on the plant, or have any relaxed emissions. In fact, it is our experience that in order to qualify as "minor" under the PSD program, most applicants must go beyond what a typical BACT analysis would require for a similar plant

being built at any other location in order to achieve the lower emissions. Air quality analysis, we also did that to demonstrate to ensure that the clean air remains clean based on the emission limits and control technology determined through the BACT analysis. PSD increment standards are even more stringent than the Nevada and National Ambient Air Quality Standards we also did that, to make sure that this project meets all the federal and state guidelines.

Here you can see a table. This table represents the baseline actual emissions from the plant for the 2004 and 2005 calendar years. You can see this is the baseline actual emissions from January 1, 2004 through December 31, 2005 for the two years. Here is all the criteria pollutants listed; and this is the proposed OPTC emissions far from the new plant. This is not the permitted emissions, but represents actual operations for those years, these baseline emissions. This is the basis for comparison for determining change in emissions for any proposed change and determining whether the change is major or minor for PSD purposes. As you can see, the increases from the baseline to the new permit limits are below the PSD significance. Here you can see only 5.54 while the threshold limit is 25 and all are negative. So it is really decreasing the emissions and so qualifying this application as minor for PSD purposes, based on this table.

Here you can see that all criteria pollutants like PM, PM10, NOx, Carbon Monoxide, everything, left in the permit are being reduced. (Unclear) and now it's going to be done. It is very interesting to note, that the plant could have been legally operating at this current permitted emissions, all these high numbers. There is a net permit limit reduction of over 2,000 tons per year of criteria pollutants. The increase in HAPS is due to a change in how the HAPS emissions are calculated. Nevada Cement Company opted to use the EPA emission factors, in a document called AP-42, for determining their emissions of HAPS, which results in more conservative, higher estimates. As part of the emission testing, once the plant is in operation, they will be required to test the actual emissions of specific HAPS.

This is the Maximum Achievable Control Technology. By opting for the AP-42 method; this required the source to be subject to the Maximum Achievable Control Technology control program. This requires limits for not only HAPS, but criteria pollutants as well. By being subject to this requirement, the applicant is required to install controls that are BACT level or better, as well as associated monitoring that PSD in and of itself would not have required.

An air quality evaluation also done to make sure that it doesn't exceed the Nevada Ambient Air Quality analysis. Nevada Cement performed a dispersion modeling analysis using a modified version of the EPA approved air quality model using Intel-compiled code. Nevada Cement applied a 45-degree clockwise rotation to the meteorological data measured at Tracy Generating Station. That data was used to align the data with local observations; resulting in a more conservative result. NDEP-BAPC used the unmodified air quality model along with un-rotated Tracy meteorological data and compared regulatory model versus, versus NCC's recompiled model results. No substantial difference of model results was found. The proposed OPTC impacts do not exceed the Nevada Ambient Air Quality Standards from either modeling analysis.

We also did an increment analysis. The SO2 increment was triggered on October 26, 1982 in this basin. NDEP's analysis indicated that the maximum predicted increment source contributions are well below the SO2 increment standard for all applicable averaging periods.

This table represents the modeling results versus Nevada Ambient Air Quality Standards. You can see that total concentrations are, this is the line, are way below the Nevada Ambient Air Quality Standards.

This is the increment analysis table; here you can see the table shows no exceedence of increment standards for SO₂. These are the standards PSD increment standards for SO₂ in this basin and maximum predicted Nevada Cement impact is well below than these numbers.

Review of applicable standards. NDEP-BAPC reviews State and Federal regulations, requirements for project applicability. All state and federal applicable regulations are written into the Air Quality Operating Permit to Construct as conditions that must be met. This includes, state Nevada law regulation, applicable implementation plan and from the Federal Code of Federal Regulations, includes, NSPS and NESHAPS, etc.

What is operating permit to construct? Operating permit ensures agency puts in all requirements; ensures compliance, like CEMS, NO_x, SO_x, CEMS for NO_x, SO_x, Carbon Monoxide, and Mercury continuous operating monitoring system as appropriate, also on bag leak detectors on PM controls.

Based on information provided, and NDEP's review, the proposed Nevada Cement plant expansion project will meet all applicable state and federal air quality standards.

What happens next? We will consider comments, this may take awhile, we will also discuss appeal, State Environmental Commission takes 10-day versus Environmental Appeal Board which takes 30 days.

You can e-mail your comments to these addresses, either to me or Matt DeBurle or Greg Remer at ndep.nv.gov. Here is the e-mail address. At this point, I am turning over this presentation to Greg Remer, Chief Bureau of Air Pollution Control for any comments and questions you might have.

Greg

At this point I guess what we'd like to do is entertain any questions about the presentation or any of the technical information that we've presented, at that point in time if there are none then we'll go forward and move directly into the public comment portion of our hearing. So if you have a question about the presentation, please come forward to the microphone.

Dante:

The presentation will be, as I said, be posted on our website so, if there's any of it you didn't catch or would like to go back and review in more detail take some time, it will be available on our website, so, any questions? Okay, I guess we can proceed with the cards.

Vickie: okay, the first speaker I have is Tanya Gulesserian, if I pronounce that wrong I apologize.

Tanya Gulesserian

Good evening, Tanya Gulesserian, on behalf of the Association for Clean Energy, a coalition of unions whose members construct and maintain commercial residential and industrial projects in the City of Fernley, Lyon County and throughout the state of Nevada. ACE has been the leading advocate for sustainable development. The communities served by ACE and the City of Fernley and Lyon County in particular offer finite opportunities for further development. For this reason we believe it's critical these projects (unclear) areas provide maximum economic and benefits to the local community, while at the same time minimizing the environmental and public health impacts communities. Requiring that projects fully reveal their air quality and public health impacts, and comply with laws that requires best available control technology, facilitates the kind of sustainable development that minimizes the risks and guarantees a future for the construction industry in this city and in this county and in this state.

When the Bureau of Air Pollution Control released the draft permit, the proposed permit for the project, we reviewed the document and on the surface it states that the project's impacts would be minimal, or in fact it would provide benefits. But the underlying basis for the finding is Nevada Cements characterization of the project is a minor modification of an existing plant, rather than what it is, a new cement manufacturing plant and distribution facility that doubles the production of existing cement and exposes workers and the public to increased pollutants. By characterizing the project as a minor modification, Nevada Cement only compares, for people who don't understand this, the air pollution from the new plant to the air pollution from the old plant. In other words, Nevada Cement only considers whether the increase in the emissions triggers the federal Clean Air Act's Prevention of Significant Deterioration standards that require installation of best available control technology. Therefore, by inflating the baseline, and making the existing project appear or look as dirty as possible, and then deflating the proposed project's emissions, the permit review makes that increase between the two appear as small as possible so that the federal clean air acts requirements aren't triggered. Thus the dirtier the old plant, the smaller the increase and the cleaner the new plant appears.

What's most concerning about this approach is that if the plant were proposed elsewhere in town it would not be able to rely on only the increase between the two plants, but would rather have to admit that the project emits more than 3,300 tons per year of air pollution including more than 95 tons per year of hazardous air pollutants; which, clearly in of itself requires best available control technology.

That aside even if we were to focus only on the increase in pollution from the proposed projects, the Bureau's record reveals that the increase will be more significant than disclosed in the permit review. In conducting our review, we consulted with air quality and public health expert Dr. Petra Pless, who has extensive experience in the field of air quality modeling, hazardous materials investigations, and risk assessments to evaluate the data and the record. In reviewing that data, it became alarmingly clear that the project would have several significant air quality and related public health impacts that were either not discussed in the permit review or that were underestimated. Therefore, tonight, we request that the permit be rejected at this time for further evaluation of areas that have not yet been evaluated.

Want to go over two major problems with the draft permit, one of them is it fails to evaluate all regulated pollutants and the other is that it fails to recognize emission increases that exceed,

exceed PSD significant thresholds by one: failing to evaluate all the proposed emission sources; and two: over estimating and under estimating the baseline and project emissions, respectively. In other words, narrowing that gap.

First, failure to evaluate all regulated pollutants. The obvious pollutants that are not in the permit are no PM_{2.5} analysis, even though PM_{2.5} is a regulated pollutant under the Clean Air Act. PM_{2.5} is a particulate matter with an aerodynamic diameter of less than or equal to 2.5 micrometers it's smaller than PM₁₀ and PM which was evaluated in the permit, so those smaller particles that have not been evaluated from the facility have not been analyzed at all. Another pollutant that is missing from the permit is carbon dioxide. Carbon dioxide emissions are regulated pollutant under the Clean Air Act. The Supreme Court in Massachusetts versus EPA just determined that carbon dioxide is a pollutant subject to regulation under the Act, and the permit review and permit must address it. And then there's the obvious failure to model all fugitive emissions from the proposed project. These are three areas that clearly need to be addressed before the project can move forward.

The second point I wanted to address tonight was that permit review fails to recognize that criteria pollutant emissions may increase PSD significant thresholds requiring PSD review. Not all materials appear to be accounted for in the baseline emissions that show up in the proposed emissions. Again, this comment will go to the fact that their inflating the baseline appears to have happened while making the proposed project emission appear cleaner. Dr. Pless found that, this is an example, the permit review uses 27 miles a day for vehicle miles traveled and that the proposed project will use, will have 29 miles, vehicle miles per day, which appears to make sense from the storage piles to the kiln. And the small vehicle, the small difference in vehicle miles traveled though, is not credible based on the fact that the proposed facility is gonna double, produce twice as much cement, as the existing facility. So there is some sort of discrepancy in the vehicle miles traveled. Presumably the distance between them won't change much, so calculating just the increased product that needs to be brought to the facility, we calculated an increase in PM₁₀ and PM emissions by at least 2.3 tons per year.

Another major problem Dr. Pless found was that the calculation is different for the determination of baseline and proposed emissions. Baseline is based on miles per day and average kiln operating hours and the latter is based on miles per day and the weight of products hauled per day. We want to make sure that were comparing apples to apples and oranges to oranges and the permit that has been released does not.

We also found that the calculations do not include hauling limestone or klinker, the amount of limestone that would be hauled is substantial. According to Dr. Pless, limestone hauled will increase from seven hundred and thirteen thousand and twelve (713,012) tons per year from the baseline in 2004 to three million sixty-six thousand (3,660,000) tons per year for the proposed project and that does not appear to have considered.

Finally the permit fails to take into consideration the Bureau's recent approval of Nevada Cement's new project to collect and sell cement kiln dust. Even if one argues that this is a separate project, the permit contains a fatal flaw. The permit review does not include emissions from the cement kiln project in the baseline but then it takes credit for elimination of wind erosion

emissions from the cement kiln exposed areas by deducting those emissions as if it's part of the project. So there we have a manipulation of the baseline and proposed project emissions that appears to have been an oversight.

In sum, because the permit review fails to include all regulated pollutant, has discrepancies in vehicle miles traveled, based on doubling production of facility; does not include the hauling from limestone or klinker to the facility; does not have analysis of fugitive or modeling of fugitive dust emissions from trucks, locomotives, it's a little bit unclear how were hauling the product to the facility. When taken these together, it's clear that the baseline has been inflated and the project emissions are not, have not been fully revealed at this point, so we urge the Department to reject the draft permit and make sure that there's a full evaluation of the entire scope of the project, beyond what has been described in the current permit review, thank you very much.

Dante

Thank you for your comments. We will take all comments and then some of them we will be able to respond to this evening, others, in fact all the comments we will prepare formal responses to over the next month, up to six months out. So, Greg, do you want to reserve comment?

Greg

I think right now, the first two points that you brought up, which were PM2.5 and CO2, I guess I'd like to address briefly here. PM2.5 is a regulated air pollutant, as you've said. It was added to the suite of pollutants, if you will, by the EPA in 1997, challenged in court, delayed in implementation, and actually we're still in an implementation phase-in period. EPA has not provided implementation guidelines or guidance to States to implement the PM2.5 standard. As such, what they've done is rely on, for States to use, the current PM10 process, which is what we've done here. As a matter of fact the PSD regulations that we're referring to here tonight, do not include a PM2.5 provision in them for applicability or increment or other purposes. So at this point in time, PM2.5 is a pollutant that's being measured, it's being monitored by States, but it's not directly implemented at this point in time in a permitting program.

CO2, Carbon Dioxide, I disagree a little bit with the characterization of it as a regulated pollutant. The Supreme Court in Massachusetts versus EPA did rule that EPA may regulate CO2. EPA to that point had not chosen to regulate CO2 and the specific case that was cited is actually related specifically to a motor vehicle suit, and as such, is not currently subject to stationary source regulations. The state of Nevada is engaged in the national climate change process. We have a state statute that was passed in the last legislative cycle that does address reporting and monitoring of CO2 emissions from stationary sources, specifically power plants. So we are engaged, we are implementing a process to determine what greenhouse gas emissions are being emitted from our stationary sources. But it is not a regulated pollutant under the clean air act as of yet. As that changes, as it becomes applicable to stationary sources, we will implement it on stationary sources like we do any other regulated pollutant that EPA publishes a standard for, for which there are standards or other emission guidelines that are subject.

Vickie: the next speaker is Charles Nelson

Charles Nelson

Hello gentleman, my name is Charles; I'm here to say that I'm for this plant. It does seem to be a good economic reason to help the community as well as employ more people in our current financial and economical setup. The United States is going through a lot of economic problems and we need more industry in our area to help it happen, it makes good and common sense for it, that's all I need to say.

Dante

Thank you for your comments.

Vickie: the next speaker is Fred Tompkins

Fred Tompkins

My question pertains to noise level, not air quality. It looks good from what I see on (unclear) and everything and I think the noise level will be lower than it is now, but I'll talk directly to management at the Nevada plant, thank you.

Greg: thank you.

Vickie: Joseph Sells

Joseph Sells

Good evening, thank you for putting on this public hearing and giving me the opportunity to speak. When Tobarak, as far as Tobarak, as part of Tobarak's presentation, he listed out some specific benefits that this project would provide: increased production, lower fuel consumption, lower power consumption, lower emissions, lower water consumption, which is very, it's a very critical resource in Northern Nevada at this time.

I think he left a critical component to the community and especially to the employees of Nevada Cement out. And that is, what happens if this expansion does not happen? Basically if the expansion does not happen, we see at least 120 jobs, good paying jobs, in northern Nevada, going away. Within the last 10 years, Nevada Cement has had to import almost a million tons of cement to satisfy local demand. That's just local demand here in northern Nevada. Not to mention our northern California market, which is served by a distribution facility in Sacramento. But, today as we speak, they're landing Chinese cement in the port of Sacramento for cheaper than Nevada Cement can get it their as part of it's own market, and, were importing like I said, up to a million tons of Chinese cement, into northern Nevada. Now those are Chinese jobs, Chinese profits, and not a lot of that makes it into community well being and welfare programs.

In addition, this plant will create up to an additional 31 jobs. As the project ramps up and the need for raw materials increase, we will have to add jobs to do those tasks. Also, it will add up to 1.4 million dollars in annual tax revenue to the county and the state that it does not get right now. In addition to that, Nevada Cement, with those employees, I was talking about the employees, those 120 jobs leave, that's 8 million dollars in payroll. Most if what, most if not all is which is spent in northern Nevada. It will also take with it, over 12 million dollars a year that Nevada Cement pumps into the local economy. So decrease fuel consumption, and that's coal, petroleum coke, natural gas, all vital resources, lower power consumption, which is also a vital resource, lower air

emissions, lower water consumption, the retention and the additions of new jobs. This is a green project, and it's time for Nevada Cement to expand, thank you.

Dante

Thank you for your comments. Just a reminder, our sole focus is on air quality. Jobs, economic impact, all of those things are not included in our evaluation. So, we're letting everybody speak, because it is a public hearing, and we're not going to shut anybody off, but, that's really the focus, so we appreciate your cooperation, thank you. Oh by the way, NDEP does not support or oppose the plant. Our sole job is to determine whether the proposed permit meets all current federal and state air quality standards, that's it.

Vickie: the last speaker I have is Howard Stanlo. I hope I didn't mess it too bad, your name.

Howard Stanlo

Well basically, I'm for this plant, you know, I've worked around a little bit here and there and, you know, I'll go as a mechanics point. I worked down on a farm, and you know, we had some 8650 John Deer tractors. And they would burn gallons a day, of fuel. Then they went and bought this new tractor, half the size, delivered more power but a third of the fuel in it, so the way I look at it is, it's just like anything. What am I trying to say? The progress of building this stuff is gone up, the technology, is what I'm trying to say. And the new plant will have the new technology in it which will cut the smog and cut the air pollution. And also, Nevada Cement will probably have to buy trucks, if were gonna truck some of this stuff. And the new engines in these trucks are at a higher pace than what they are with the older engines, so they're gonna, they're gonna have the technology in em, so there not going to burn the fuel like the other trucks do. So I think this is a good deal, and not only that, but it helps Fernley's, if we have any pollutions, it will cut the pollution down and plus it will help the economy in this country, thank you.

Dante: thank you for your comments. Is there anyone else that would like to speak? Come forward and please state your name and then we'll have you afterwards fill out a blue speaker's card, please.

Vanessa Conrad

Hi my name is Vanessa Conrad. I'm with a non profit organization out of Reno called Great Basin Resource Watch. And we just had a little bit of concerns as far as, in regards to mercury emissions from this kiln. We haven't seen a plan of operations so were not sure whether or not the kiln has met the assessment required by the EPA. As of 2005 all kiln operations have standards that they have to meet. We also were wondering if there's been any kind of evaluation as far as how much mercury content might be in any of the cement or limestone they might be processing. Then also if, if there has been assessment and it looks to be low, is there gonna to be continued assessment, if they expand the quarry operations? And we're also wondering about wet process versus dry process because one can be, the wet process tends to be a larger power source, and can also cause more emissions of mercury. And I'm just taking a look at all of my notes, we're also wondering what would be the power source for the kiln? Whether or not there, well I just picked up the pamphlet, cause we weren't sure what was going to be used - coal fire and so were concerned just about the mercury emissions from that as well since there is also four coal fired powered plants being proposed for Nevada we just don't want this adding to it. I think that's about it.

Dante: thank you for your comments.

Greg:

If you could pick up one of the blue speaker cards over there fill it out and hand it to Vickie up here when you're done. The cards are on the table.

Matt:

My name is Matt DeBurle and I'm permitting supervisor. I guess to basically answer some of questions here. As far as mercury emissions go, that's covered under the MACT or Maximum Achievable Control Technology standard. That's the one that sets the limits for mercury and the monitoring requirements that go along with that. As far as mercury, in the feed stocks, whether it be limestone or coal, there is no requirement to measure the mercury in these feed stocks. Again, the point of control and the point of measure is that the outlet of the kiln and I think your last question was, wet process versus dry process. I believe this is a dry process cement kiln.

Dante:

Any other comments or questions? If not, thank you for coming tonight, we will again, it may be as little as a month it may be up to six months depending on the evaluation and response to the comments tonight. And we will respond to each one and everything will be available on our website at www.ndep.nv.gov. Yes, please come forward.

Max Brassfield

Hi my name is Max Brassfield and I'd sent in a letter and will that be addressed the same way as the comments tonight?

Dante:

Yes, written comments will be responded to as well, and basically as I understand it category's of questions, basically, and yes, written comments carry exactly the same weight as verbal comments and will be responded to in kind.

Matt:

I would like to also mention that tonight is the formal end of the public comment period. So if you have any written comments you'd like to leave with us please leave those tonight. Our email addresses are on, certainly if there's something you want to give us if we get it tomorrow, that would be fine, we'll include that in with our public record for this hearing.

Dante:

If there's no further business, thank you for coming and we appreciate your participation.